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Abstract: Population growth had played a vital role in rapid economic growth of the Asian Newly Industrialised Economies (NIEs) in the 1980s through to the 1990s, and they can be examples for the Southern Mediterranean (SM) countries, where population growth rates are still high, to follow. But the problems that the SM countries are facing now is myriad: low labour participation rate, high unemployment that leads to emigration and brain drain, thus making population growth unmanageble. SM countries will learn that population growth can also be a complementary development tool if they open up trade and by taking advantage of the growing population to create a domestic market and economy of scale production, for improving technology and knowledge to increase efficiency to make exports more competitive so to attract more trade to create more jobs.

Key words: Population growth, international migration, brain drain, international trade and economic growth and development.

JEL Code: Q56, F22

Introduction

Over population has been one of the hottest debate topics in the past decades. Some development economists worry that persistent high population growth rates particularly in the developing world further deplete the limited resources we have on earth to support it, thus impedes economic growth and development. On the other hand, some others argue that with the advanced technology that is growing ever faster that we have right now, depletion of resources is not even a concern. Rather it is population growth that has led to the expansion of the pool of "brains", fostering economic growth and development. Besides, Krugman's (1994) arguments on the "Asian Miracle" attracted much attention on the effects of population growths on the East Asian economies' rapid economic growth in the 1980s and 1990s.

Despite all arguments against population growth, one fact about population that we cannot reject is that it is an important factor to economic growth. Population size is an important factor to determine the economic size of a country: the labour force and consumer market, to attract trade and foreign direct investments (FDI), promoting economic growth and development. Nevertheless, what concerns development economists the most is that the capacity of the existing population to support further population growth, pressuring individual economic wealth and social welfare to fall, and thus force to emigrate to seek for better job opportunities as a result if not properly managed with adequate policies.

In the light of these arguments and issues on population growth, we attempt to investigate the effects of population growth on economic development in the Southern Mediterranean[1] (SM) countries, in a comparative case study of the Southeast Asian[2] (SEA) countries. Specifically, we will look at how population growth can be transformed into a development tool for the SM countries, with a special focus on the prospects of enhancing north-south trade relations with the European Union[3] (EU) in a comparative analysis,

1 The Southern Mediterranean (SM) countries refer to Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia.
2 The Southeast Asian (SEA) countries refer to Cambodia, Indonesia, Malaysia, the Phillipines, Thailand and Vietnam.
3 The European Union (EU) refers to EU-25 that includes Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lativa, Lithuania, Luxembourg, Malta, the

and at the same time addressing the socio-economic and socio-political difficulties they faced. The analyses carried out in this research paper will be primarily based on theoretical literature and statistics drawn from official and international institutions. Data used in this research study is of 2001 and 2010, and in the event of unavailability the latest data available will be used.

This paper is therefore divided into five sections. In the first section, we briefly provide a general economic background of the SM and the SEA countries, highlighting the difference in growth dynamics and development levels. In the second section, we move on to present the demographic trends, in particular highlighting the population growth rate, the potential of the bulge of young population and the implications on future labour market prospects in both the Southern Mediterranean and the Southeast Asian regions. In the third section, we will discuss how migration will in turn become a development tool in the event population growth fails to generate economic growth with a special focus on the cases of the SM countries. In the fourth section, we make an u-turn to revisit and argue how SM countries can tap on population growth to expand their trade relations with the world, and in particular with their closest neighbour in the nothern rim of the Mediterranean sea, the EU, comparing this cooperation with that of the Northeast Asia[4] (NEA) and SEA countries, and on how SM diasporas in the EU can help enhance trade between them. And finally, the summing up where we draw out some of the most important conclusions.

Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and United Kingdom.

4 The Northeast Asian (NEA) countries refer to China, Hong Kong, Japan, Singapore, South Korea and Taiwan.

1. Economic trends in the Southern Mediterranean and Southeast Asia Countries

From Table 1, we observed little difference in economic size between the SM and the SEA countries from 2001 to 2010; although the latter has registered a GDP growth rate about 10 percentage point higher than that of the former in the same period. However, it is found that on average economic development, that is measured by GDP per capita, is more than twice higher in the SM countries than in the SEA countries, and once again this is despite the higher GDP per capita growth rate registered in the latter than in the former. Certainly, the inclusion of Israel, an OECD classified developed economy, may have distorted the overall economic performance of the SM countries. The exclusion of Israel not only reduces the overall economic size, but also the average GDP per capita of the SM countries that remains higher than that of the SEA countries. Economic growth rates of the SM countries also increase with the exclusion of Israel, but still remain lower than that of the SEA countries. This shows that countries with a lower initial economic development level tend to grow faster.

Table 1: Economic trends

	2001		2010		Annualised GDP growth (2001-2010)	Annualised GDP per capita growth (2001-2010)
	GDP (US$ millions)	GDP per capita (US$)	GDP (US$ millions)	GDP per capita (US$)		
Southern Mediterranean	415,382	4,178	918,596	7,859	12,11	8,81
Algeria	55,181	1,781	159,914	4,509	18,98	15,31
Libya	34,061	6,389	71,670	11,278	11,04	7,65
Morocco	37,725	1,295	90,913	2,845	14,10	11,97
Tunisia	19,969	2,092	40,259	3,841	10,16	8,36
Egypt	94,438	1,371	214,406	2,643	12,70	9,28
Jordan	8,976	1,828	27,543	4,452	20,69	14,35
Lebanon	17,065	4,487	38,801	9,178	12,74	10,45
Syria	21,008	1,277	59,403	2,910	18,28	12,80
Palestine	3,897	1,186	-	-	-	-
Israel	123,061	20,071	215,686	29,074	7,53	4,49
Southeast Asia	477,028	1,341	1,563,026	3,308	22,77	14,66
Indonesia	160,815	741	708,396	2,953	34,05	29,86
Malaysia	92,784	3,872	236,261	8,319	15,46	11,49
Philippines	71,216	902	188,402	2,020	16,46	12,40
Thailand	115,536	1,808	319,293	4,619	17,64	15,55
Cambodia	3,992	315	11,362	804	18,46	15,47
Vietnam	32,685	410	99,312	1,130	20,38	17,54

Source: Authors' own calculations based on UNCTADStat data.

Accordingly, as we will see in details in the next section that the population size of the SEA countries is about twice as big as that of the SM countries, this hence explains in part the lower GDP per capita. This is also to say that GDP growth in the SEA countries is not only primarily boosted by its large population size but also a result of their low initial economic development level. In addition, we can also interpret it as that people in the SM countries on average are wealthier than those in the SEA countries.

However true it is that the people in the Southern Mediterranean region are on average economically better off than those in the Southeast Asian region, it is to be highlighted that economic growth in the SM countries remains unbalanced. Economic growth is found to be particularly higher in Algeria where fuels accounts for more than 90 percent of its total export, while in Morocco, Tunisia and Jordan economic growth were found to be the results of economic reforms by shifting away from import-substitution industrialisation (ISI) to a more open and diversified economy.

Unlike most of the SEA countries, many SM countries whose primary economic activities are still based on income-inelastic primary commodities and low value-added manufactures. An important share of SEA's manufacturing sector, particularly in Malaysia and Thailand, are in medium technology intensive products, such as electrical and electronics, both in finished and unfinished goods. This also plays a part in the development of a north-south supply-chain production system in the Asian region. Still, a large percentage of SEA's economy is still based on agriculture and labour intensive productions such as manufactures of textiles and apparels and they are particularly apparent in Indonesia and Cambodia, Vietnam.

2. Demographic trends in the Southern Mediterranean and Southeast Asia Countries and the effects on economic development.

In Krugman's (1994) thesis "The Myth of Asia's Miracle", he highlighted the fact that how the different population aspects have boosted the high economic growth rate in the Newly Industrialised Economies[5](NIE) in the 1980s and 1990s. As observed earlier that the large population size of the SEA countries indeed plays a very important role in boosting the GDP of the region. (See Table 2)

In 2010, the population of the SEA countries was 533 million, that is more than twice the size of SM's population. A huge population size may have limited economic growth and dveelopment in the SEA countries on individual economic welfare, however it is the population size the determinant factor to attract trade and making economy-of-scale production more viable and efficient, as exemplified by the case of China, therefore boosts job creation and foster economic growth.

5 The Newly Industrialised Economies (NIEs) in Asia refer to Hong Kong, Singapore, South Korea and Taiwan.

Table 2. Population trends

	Population (thousands)		Population annualised growth (2001 - 2010)
	2001	2010	
Southern Mediterranean	178,461	207,660	1.64
Algeria	30,982	35,468	1.45
Libya	5,331	6,355	1.92
Morocco	29,129	31,951	0.97
Tunisia	9,546	10,481	0.98
Egypt	68,888	81,121	1.78
Jordan	4,910	6,187	2.60
Lebanon	3,285	4,228	1.12
Syria	16,455	20,411	2.40
Palestine	3,285	4,039	2.30
Israel	6,131	7,418	2,10
Southeast Asia	476,167	532,642	1.19
Indonesia	217,056	239,871	1.05
Malaysia	23,965	28,401	1.85
Philippines	78,964	93,261	1.81
Thailand	63,899	69,122	0.82
Cambodia	12,654	14,138	1.17
Vietnam	79,630	87,848	1.03

Source: Authors' own calculations based on UNCTADStat data.

In essence, population growth in the SM countries has been high with respect to that in the SEA countries. SM's annualised population growth between 2001 and 2010 was 1.64 percent, compared to 1.19 percent in the Southeast Asia region. Population growth is particularly higher in smaller SM countries like Jordan, Palestine and Israel, meanwhile Morocco and Tunisia are found to have one of the lowest. These are also the two countries that are the one of the least naturally endowed in the region but have recently shown some success in economic reforms towards economic diversification. Egypt being the most populous country in the region still has a considerably high population growth rate of 1.78 percent. Hence, from a statistical analysis stand point, economic growth in the SM countries in the past decade could have been in fact a result of their high population growth.

In contrast, Indonesia being by far the most populous country in the Southeast Asia region only has a population growth rate of 1.05 percent. While Malaysia, on the other hand, the most developed country in the region, has one of the highest population growth rate and this is the result of the state's 1982 pro-natal policy reach 70 million inhabitants to promote its domestic economy by 2010 (Hirschman, 1986: 161). Population growth rate in Philippines remains high with respect to the rest of its fellow founding countries of the Association of the Southeast Asian Nations (ASEAN) founded in 1967 and is certainly the poorest among them by GDP per capita standard. High economic growth in Cambodia and Vietnam in the recent years have improved lives of millions has also given less incentive to the people to procreate. Basing on the population growth trends in the Southeast Asia region, its high economic growth might not necessarily be the result of population growth, although we cannot reject entirely the argument on the contribution of its huge population size to its economic expansion.

If high population growth is indeed the determinant factor for economic growth in the Southern Mediterranean region, with a higher population growth rate with respect to that of the Southeast Asia region, we should then expect the SM countries to register a higher economic growth rate too. Yet, this is not the case. Therefore the issue we are going to address here is why is it not.

Looking at the population structure, we observed that the Southern Mediterranean region has a rather young population. The young dependent population in the Southern Mediterranean region accounts on average of about 31 percent of its total population and a working population that accounts for about 63 percent. In the short-term, the economic growth in the SM countries will be limited by the bulk of young dependent population since they tend to consume more than produce. In comparison, young dependent population in the Southeast Asia region is proportionally smaller representing about slightly less than 30 percent of its total population and the working population 66 percent. (See Table 3) Besides, the variation in the percentage of the young dependent population of the total population in the SM countries between 2001 and 2010 and that of the working population have been lower with respect to that of the SEA countries shows

that the high population growth in the Southern Mediterranean region primarily comes from its high birth rate that led to lower economic growth rate; conversely the high economic growth registered in the Southeast Asia region countries has been supported by a higher increase and proportionally larger working population.

Table 3. Population structure

	Young population (aged 0 -14) as a % of total population			Working age population (aged 15 – 64) as a % of total population		
	2001	2010	Variation (2001 - 2010)	2001	2010	Variation (2001 - 2010)
Southern Mediterranean	34.63	30.94	-3.69	60.39	63.59	3.20
Algeria	33.19	27.05	-6.15	62.59	68.36	5.77
Libya	31.68	30.42	-1.27	64.83	65.28	0.44
Morocco	32.84	28.01	-4.83	62.36	66.50	4.14
Tunisia	29.10	23.46	-5.64	64.42	69.59	5.17
Egypt	35.41	31.53	-3.87	60.12	63.44	3.31
Jordan	39.22	37.51	-1.70	57.41	58.58	1.17
Lebanon	30.00	24.79	-5.21	63.16	67.92	4.76
Syria	39.74	36.90	-2.83	56.59	59.15	2.56
Palestine	47.16	42.50	-4.66	50.51	54.76	4.25
Israel	28.02	27.24	-0.78	61.94	62.34	0.40
Southeast Asia	32.77	28.14	-4.63	62.61	66.42	3.80
Indonesia	30.27	27.04	-3.23	65.01	67.41	2.40
Malaysia	33.04	30.34	-2.70	63.07	64.89	1.82
Philippines	38.25	35.44	-2.80	58.54	60.92	2.39
Thailand	23.56	20.53	-3.03	69.30	70.58	1.27
Cambodia	40.40	31.90	-8.51	56.53	64.30	7.76
Vietnam	31.11	23.60	-7.51	63.22	70.40	7.18

Source: Authors' own calculations based on the World Bank Databank.

Meanwhile, on a country-to-country comparison level, it is found that many of the SM countries, in fact all the Maghreb countries in addition to Lebanon, do have a high proportion of working population similar to that of the SEA countries' average. Algeria in particular has registered the highest positive variation in the proportion of working population which reflected on its higher-than-SM average economic growth rate. Similarly important expansion in working population is also found in Morocco, Tunisia, Lebanon and Palestine, however it has not exactly translated into economic growth as high as that of Algeria or of the SEA

countries' average. Conversely, Indonesia, Cambodia and Vietnam whose expansion of working population are found to be the largest also have the highest economic growth rates in the Southeast Asia region. Thailand, on the other hand, whose working population accounts for 70 percent of its total population, but saw very little variation, continues to enjoy of one the highest economic growth rates in the region.

If the SEA countries managed to achieve high economic growth through the expansion of their working population, then why are those SM countries with similar population structure and demographic trends not benefiting from it? Certainly, a proportionally large working population does not necessarily mean that every single person who belong to this specific age group is economically active. This is also to say that the bulk of people of working age and are economically active that forms the labour force is often smaller than the real working age population.

In Table 4, we learned that labour participation rate in the Southern Mediterranean is relatively low with respect to that in the Southeast Asia region. This thus explains, in parts, why some of the SM countries are not achieving the level of economic growth of the SEA countries despite their similar population structure. In 2009, the average labour participation rate in the Southern Mediterranean region was only 50.61 percent and this is despite the fact that there was an increase from 49.37 percent in 2001; whereas in the Southeast Asia region was 69.80 percent, a decrease from 70.75 percent over the same period. In effect, apart from Algeria and Israel, no other SM countries' labour participation rate is anywhere near the level of the SEA's average. Despite all, we should nevertheless highlight the progress the SM countries have made in their labour participation rate, although there is still a long way to go to reach the level of the SEA countries.

Table 4. Labour participation and unemployment

	Total labour participation rate as a % of total population age 15 and up			Unemployment rate as a % of total labour force		
	2001	2009	Variation (2001 - 2009)	2001	2009	Variation (2001 - 2009)
Southern Mediterranean	49.37	50.61	1.24	15,75	12.88	-2,96
Algeria	55.80	58.50	2.70	27.30	11.30***	-16.00ˆ
Libya	50.80	52.80	2.00	-	-	-
Morocco	51.60	52.30	0.70	12.50	10.00	-2.50
Tunisia	48.00	48.00	0.00	15.10	14.20***	-0.90ˆ
Egypt	48.70	48.80	0.10	9.40	9.40	0.00
Jordan	49.40	49.30	-0.10	15.80	12.90	-2.90
Lebanon	44.90	46.10	1.20	7.90*	9.00**	1.10ˆˆ
Syria	49.70	50.40	0.70	11.60	8.40**	-3.20ˆˆˆ
Palestine	39.10	42.80	3.70	24.90	24.50	-0.40
Israel	55.70	57.10	1.40	9.40	7.60	-1,80
Southeast Asia	70.75	69.80	-0.95	4.95	5.08	-1.06
Indonesia	67.60	68.90	1.30	8.10	7.90	-0.20
Malaysia	62.80	62.00	-0.80	3.50	3.70	0.20
Philippines	66.60	63.80	-2.80	11.00	7.50	-3.50
Thailand	73.70	72.30	-0.80	2.60	1.20	-1.40
Cambodia	79.80	79.30	-0.50	1.70	-	-
Vietnam	74.00	71.90	-2.10	2.80	2.40 ***	-0.40ˆ

Source: Authors' won calculations based on World Bank Databank.

Note: * data of 2004, ** data of 2007 and *** data of 2008. ˆ variation between 2001 and 2008, ˆ ˆ variation between 2004 and 2007 and ˆ ˆ ˆ variation between 2001 and 2007. SM's 2001 average unemployment does not include Lebanon's 2007 unemployment rate; and SM's 2009 average unemployment rate does not include that of Algeria (2008), Tunisia (2008), Lebanon (2007) and Syria (2007). SEA's 2009 average unemployment rate does not include Vietnam's 2008 unemployment rate.

In addition, we also found that job market in the Southern Mediterranean region is extremely grim, compared to that in the Southeast Asia region. In 2009, the average unemployment rate in Southern Mediterranean region was 12.88 percent, a fall from 15.75 percent in 2001. Countries like Palestine whose unemployment rate reached as high as more than 20 percent, 14 percent in Tunisia and 13 percent in Jordan. Israel's 7.60 percent unemployment is although the lowest, it is still higher than the SEA's average. Above all, Algeria has made the biggest improvement in its job market, reducing its unemployment rate by 16 percentage point but still remained high. On the contrary, unemployment rate in the Southeast Asia region is

constantly kept under 10 percent, with Indonesia standing side by side with Philippines for having the worst job market situation in the region.

To this end, we can draw some of the first conclusions on how and why have the SM countries had not managed to achieve economic growth from their high population growth. Firstly, the domestic market of the SM countries is still relatively small, thus the inability and incapacity to support efficient economy-of-scale production and also making the region.

Secondly, the consumption power of the bulk of young dependent population in the Southern Mediterranean region has to be compensated by the overall power to produce by its proportionally smaller-than-SEA working population. In this way, working population will have less to save and for more productive investments. Rather, the bulk of young dependent population represents the potential labour force that will support and boost further economic growth in the long-run when they will join the labour force in the near future, therefore investment in education in this group of young people will be extremely pivotal.

However, rampant unemployment in the Southern Mediterranean region has already had an unfavourable impact on economic growth. If the states continue to fail to address this problem with adequate policies to create more jobs, unemployment will become more serious when the bulk of young people enter the labour market. This will in turn give no incentive for investment in education. As highlighted in a World Bank's MENA report (2008) that the higher propensity of being unemployed among the highly educated cohorts in the region provides no incentive to pursue higher education (Hong et al., 2010: 61). In this way, Hong et al. (2010) added that the SM governments had not only failed to take full advantage of human capital they have invested in but educated individuals would become a waste of potential for themselves.

SM governments are normally more bend towards creating jobs in the public sector when addressing job market expansion questions and fail to take the opportunity to reform their private sectors thus losing competitiveness. Higher-than-market wage level in public sector in the SM countries does not only makes

private sector unattractive but also unsustainable as a strategy to promote economic growth since most of the jobs created in the public sector are mostly administrative-related and thus deterring the people from pursuing higher education.

Whether the despondence of long-term unemployment in the Southern Mediterranean region has an impact on its labour participation remain unclear. The fact that low labour participation rate in the region has clearly limited its economic growth and this could well be the result of low female labour rate. According to the World Bank, in 2009 average female labour participation rate in the SM countries was 27.12 percent, twice lower than that of the SEA countries. Likewise, the casue of low female labour participation in the Southern Mediterranean region remains unclear if is a result of traditional culture and values or of grim job market prospective and more extensive and comprehensive study should be carried out to address this issue.

High unemployment rate in the SM countries have forced many to emigrate to seek for better job opportunities and the consequence of outflowing workers directly leads to a contraction in labour force and further impacts economic growth negatively.

3. Impact of emigration on economic development

According to the the data published by the Development Research Centre on Migration, Globalisation and Poverty (DRCMGP) of the University of Sussex, in 2004 there were about 11.21 million immigrants from the Southern Mediterranean in the world. On the other hand, the SEA countries have produced some 9.19 million international immigrants in the world, a figure that is not very different from that of the SM countries. These figures are estimations capturing only legally registered immigrants and do not take into irregular immigrants into account. However, given the population size of the SEA countries, this figure represents less than two percent of their total population, compared to that the SM countries which is almost six percent. This observation is however not illogical. As we discussed in the section 2 on the impact of unemployment on economic growth, and the argument in parts supported our observation: if unemployment rate is high, emigration will also tend to be high as well.

Table 5.A: Correlation between unemployment and emigration rate, 2000

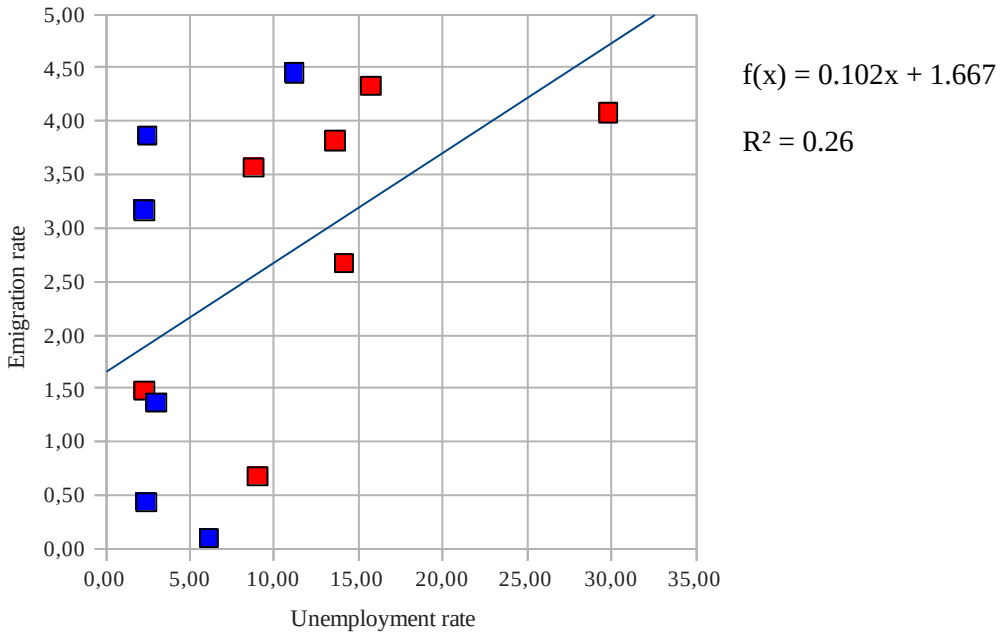
	Unemployment rate	Emigration rate
Southern Mediterranean	13.33	3.74
Algeria	29.80	4.08
Libya	-	0.82
Morocco	13.60	3.82
Tunisia	15.70	4.33
Egypt	9.00	0.68
Jordan	-	2.57
Lebanon	-	13.39
Syria	2.30	1.48
Palestine	14.10	2.67
Israel	8.80	3.57
Southeast Asia	4.58	2.23
Indonesia	6.10	0.10
Malaysia	3.00	1.37
Philippines	11.20	4.45
Thailand	2.40	3.87
Cambodia	2.50	3.87
Vietnam	2.30	3.17

Source: Authors' own calculation based on World Bank databank and the dataset, a product of the Trade

Team - Development Research Group as part of the International Migration and Development Program by Maurice Schiff and Mirja Channa Sjoblom.
Note: Emigrate rates of Southern Mediterranean and Southeast Asia are calculated based on the average of the countries in question.

In Table 5.B, it indeed shows that Southern Mediterranean region where average unemployment rate is found to be higher with respect to that in the Southeast Asia region also has a higher emigration although the different is not very big. When translated onto a scatter-graph, we observed that little correlation between the two variables is established despite a clear upward regression trend proving the existence of a correlation between unemployment and emigration rate. (Graph 1)

Graph 1. Correlation between unemployment and emigration rate, 2000



Source: The World Bank and authors' own elaboration.

Note: Red points refer to the SM countries and blue the SEA countries.

Certainly we cannot assume that unemployment is the only cause of emigration. Financial capacity to pay for the journey and unemployment benefits are some of the factors to consider for emigration.

Generous unemployment benefits in natural resource rich SM countries like Algeria has also produced a group of "hittistes", a French-Arabic slang to describe those young people who lean against the wall all day long doing nothing and neither looking for jobs because there are no jobs. "Hittistes" are also commonly found in other SM countries such as Tunisia and Egypt. This group of "hittistes" is a group of potential young educated people who could have otherwise contributed to the economic growth and development had there been jobs for them.

For those who have the capacity to emigrate, about 40 percent of the international migrants SM countries produced in the world (or 4.45 million) were in the EU[6]. Latest estimations published by Frontex, an EU border security agency, show that between 2009 and 2010, there were about 130,000 illegal immigrants entering the EU and most of them across the Mediterranean sea, although no specific figures for immigrants from the SM countries were reported. Among these 4.45 million immigrants from the SM countries in the EU were in the southern European countries, particularly in France, Spain and Italy. In fact, there were 2.54 millions immigrants from the SM countries in France, 354,763 in Spain and 257,871 in Italy. Germany and, to a lesser extend, the Netherlands, Belgium, and the United Kingdom (UK) respectively were also some of the important destinations for immigrants from the SM countries. Germany was host to 685,920 immigrants from the SM countries, the Netherlands 186,761, Belgium 150,953 and the UK 104,567.

The 1.86 millions Moroccan immigrants made up the largest group of immigrants from the SM countries in the EU and accounted for about 70 percent of the total Moroccan immigrants in the world. Nonetheless, the presence of Moroccan immigrants in the EU was relatively spread. There were 757,011 Moroccan immigrants in France, 313,739 in Spain, 294,032 in Germany, 188,104 in Italy, 155,819 in the Netherlands and 116,872 in Belgium.

Meanwhile, the 1.64 millions Algerian immigrants in the EU formed the second largest immigrant community from the SM countries, after the Moroccans, that also accounted for 80 percent of the total

6 Figures based on Development Research Centre on Migration, Globalisation and Poverty (DRCMGP) of the University of Sussex and are of year 2004.

Algerian immigrants in the world. Unlike the Moroccan immigrants, the presence of the Algerian immigrants was relatively concentrated in France. France was host to 1.33 millions Algerian immigrants. Germany came in as the second most important destination for Algerian immigrants, after France, hosting some 218,127of them. Although the number of Tunisian immigrants in the EU was much smaller, they already accounted for 75 percentage (or 456,135) of the total Tunisian immigrants in the world with France being the most important destination where 364,498 Tunisian immigrants were.

On the other hand, EU hosted less than 10 percent of the total Egyptian, Jordanian, Palestinian and Israeli immigrants in the world and many of the immigrants Egypt and Jordan were in the oil rich countries in the Arabian Peninsula, particularly in Saudi Arabia; while about 20 percent of them from Lebanon and Syria were in EU and many of them in Sweden and France respectively.

On the contrary, north-south migration from the Southeast to the Northeast Asian countries is less intensive. There were less than one million immigrants from the SEA countries in the NEA countries, and they accounted for about 10 percent of them in the world. Situated geographically within the Southeast Asia region, Singapore was the most important destination for immigrants coming from the SEA countries, hosting 336,101 immigrants of them and 90 percent of them are from Malaysia. Taiwan was the second most important destination for SEA immigrants, playing host to 273,269 SEA immigrants and 140,000 of them were from Thailand, 75,000 from the Philippines and 34,000 from Indonesia. Whereas Japan, Asia's economic powerhouse, hosted only 152,563 SEA immigrants. The culturally closed NEA countries such as Japan, South Korea and China continue to employ stricit immigration laws to prevent importing foreign influence, although formal international exchange among skilled workers and professionals are generously accepted.

In general, the consequences emigration will bring to the economies of the SM and the SEA countries will be similar, whether or not their migration flow to the neighbours in the north is intensive. In the short-run, migrant sending countries will suffer from a contracting labour force and brain drain, however

in the long-run emigration can play an important role in minimising brain wastage by employing these immigrants rather than allowing them to stay unemployed. On the other hand, emigration will allow the governments in the migrant sending countries to buy time to make economic reforms and to create more jobs to curb the high unemployment rate.

Addressing the brain drain problem, from Table 5.B we observed that emigration rate among the high educated cohort in both Southern Mediterranean and Southeast Asia regions are relatively high, an average of more than 10 percent, compared to their low and medium educated cohorts. We also found that some countries have a more serious brain drain than the others. For instance, Lebanon whose emigration rate among the high educated cohort was 37.10 percent, Morocco 13.34 percent and Tunisia 11.16 percent, whereas the rest of the SM countries were under 10 percent and some others under five percent such as Egypt and Libya.

Table 5.B Emigration rate by education level, 2000

	Emigration rate by education level (%), 2000			
	Low	Medium	High	Total
Southern Mediterranean	2.38	2.55	10.30	3.74
Algeria	4.36	1.41	8.63	4.08
Libya	0.39	0.53	2.23	0.82
Morocco	3.38	2.54	13.34	3.82
Tunisia	4.23	2.2	11.16	4.33
Egypt	0.14	0.53	4.12	0.68
Jordan	0.87	2.08	6.80	2.57
Lebanon	7.92	9.23	37.10	13.39
Palestine	0.89	2.32	6.89	2.67
Syria	0.61	1.66	5.37	1.48
Israel	1.04	2.98	7.39	3.57
Southeast Asia	0.84	2.96	11.85	2.23
Indonesia	0.01	0.09	1.35	0.10
Malaysia	0.47	0.70	10.27	1.37
Philippines	0.95	2.65	13.15	4.45
Thailand	0.12	1.09	2.06	0.44
Cambodia	2.43	5.60	17.97	3.87
Vietnam	1.07	7.62	26.31	3.17

Source: Authors' own calculations based on this dataset, a product of the Trade Team - Development Research Group as part of the International Migration and Development Program by Maurice Schiff and Mirja Channa Sjoblom. Note: Emigrate rates of Southern Mediterranean and Southeast Asia regions are calculated based on the average of the countries in question.

On the other hand, Vietnam is found to be where brain drain was the most serious in the Southeast Asia region, followed by Cambodia, that are by no means the poorest SEA countries. The Philippines being a traditional migrant sending country has the third highest emigration rate among the high educated cohort. The emigration trends in these two developing regions show that, apart from financial capability, it is the high educated individuals who are normally more well-informed and are more capable of migrating.

As we observed, brain drain is a problem not exclusively for the SM countries, but also for the SEA countries, as well as other developing and even developed countries. It is precisely important for the SM and SEA countries not to lose these high educated workers because they are the ones who possess the greatest

capacity and ability to contribute to economic growth and development more effectively. The migration of this high educated cohort is not only a loss to the migrant sending countries but also of their own talents and potentials. High educated migrant workers will always face the risk of wasting their skills away, especially the SM migrants, as many of them often take up jobs they are overqualified for the sake of earning an income. According to Gallina (2008), most of the migrant workers from Maghreb take up semi-skilled or unskilled jobs in sectors like construction, industry, agriculture and services (cited in Hong et al., 2010: 65). The risk of lossing and wasting these brains away increases when many of these cross-border migrations across the Mediterranean sea towards the northern bank are illegal. Illegal immigrants in the EU will be subjected to taking up poorly compensated "back street" jobs and working under "sweat shop" conditions. On the other hand, based on a report published by the Asian Development Bank (ADB) (2006), Filipinos migrant workers are found in all echelon of the international labour market with around 2.5 million of them (or 30 percent of the total Filipino migrants abroad) are working professionals in highly skilled jobs.

However, brain drain may not necessarily be a long-term problem if appropriate economic reforms are made in the migrant sending countries to attract returning migrants and proper facilitation of guest workers programmes in the host countries to facilitate the return of the immigrants. Although strict immigration law imposed in the host countries may, on one hand, deter more illegal immigration, but may also, on the other hand, give rise to overstaying illegal immigrants cases and allowing syndicate rings to exploit the opportunity to rise journey fee for future illegal cross-border crossings.

Returning migrants are an important source of knowledge transfer and they will be the agents for brain circulation. It is found that most of the returning migrant workers set up businesses upon their return, which indirectly expand the domestic job market of their home countries, fostering economic growth through forward- and backward-linkage production (Jongwanich, 2006). Most of these businesses are found to be either family-run or small and medium size enterprises (SMEs) providing direct consumer products and services such as as taxi services, small-scale or family-run hotels, restaurants and salon de té and café, rather than of bigger scale. However so, these small businesses do have multiplier effects on overall economic

development but limited because job creations will also be limited given the size of the businesses and they are normally businesses that do not require high entrepreneurial and managerial capability and creativity and innovation (Torres and Lorca, 2006: 7).

Still, it may not be necessary that all returning migrants have cultivated entrepreneurial spirit and it can also be dampened by poor institutional management in the SM countries such as corruptions and inefficient financial system do not only affect the confidence of local businessmen but also foreign investors. Gallina (2004) found that lack of information on investment opportunities, inefficient bureaucratic system and corruption, economical and political insecurity are some of the impediments to potential productive investments in Morocco.

While on the other hand, non-returning migrants continue to send remittances home. In 2010, remittances received in the SM countries was USD 34,193 million (or 3.72 percent of the total GDP of the region) and SEA countries USD 39,392 million (or 2.52 percent)[7] and these figures only reflect remittances sent via formal channels. These data show that the SM countries are likely to depend more on remittances than the SEA countries, particularly in Lebanon and Jordan where remittances received represented as high as 20 percent and more than 10 percent of their GDP respectively, whereas in the Philippines 11.31 percent which was the highest among the SEA countries. However, it is found that remittances received has grown faster in the SEA countries than in the SM countries, hence is this to say that SM migrants are gradually sending lesser money home with respect to the SEA migrants? Does this also mean that the SM countries are depending less on remittances? In fact, data show a slight increase in SM's remittances-to-GDP percentage from 2001 to 2010 but a decrease in the SEA countries.

Remittances undoubtedly have very important impact on migrant sending countries promoting domestic market (Chami and Montiel, 2009: 8) as it increases the purchasing power and the propensity to save and invest. According to a ADB (2006) and International Organization for Migration report (2010), it is

7 Remittances received as a percentage of GDP are authors' calculations based UNCTADStat data using the sum of the total remittances received in the countries in each region divided by the sum of their GDP.

found that remittances recipients in Philippines, Indonesia and Malaysia spend it mainly on household daily needs; and similar behaviour is also found in the SM countries (Torres and Lorca, 2006: 16). In fact, little is left for savings and investments. Nevertheless, in the long-run, the savings accumulated from remittances received are often used for real estates investments as it is found in Morocco and Egypt (Torres and Lorca, 2006: 18) and in the Philippines and Malaysia (Orozco and Fedewa, 2005). The only problem remittances will bring is moral hazard, allowing recipients to depend on remittances and discouraging them from being economically active in the labour market (Barajas et al., 2009 quoted in Hong et al., 2010: 65; Chami et al., 2003 quoted in Jongwanich, 2007: 6), and this may explain in parts the low labour participation rate in the SM countries. By the same token, SM governments may see less urgency in making economic reforms.

We also observed that remittance is not a long-term sustainable tool for economic growth and development in the migrant sending countries. Remittances tend to reduce with time and the family ties begin to fade from second generation of immigrants, feeling less connected with the families and relatives in their forefather's home of origin.

Apart from remittances, non-returning migrants also boost economic development through financing and facilitating development projects in their home countries. Hometown Assosiations (HTAs) are important gather migrants from the same country or town to organise these projects (Orozco, 2000). Migrant workers from Algeria, Morocco and Syria set up various HTAs across the northern bank of the Mediterranean sea. Morocco immigrants supported the building of small dam and irrigation system and roads; the Algerians in development projects through mobilising human and financial resources and; the Syrians in constructing private universitites and factories (Torres and Lorca, 2006: 17-18). However, the Egyptians communities in Italy were found to be more interested in the integration of the Egyptian immigrants into the local community and preserving the Arab culture and languages and its HTAs have neither formal links nor exchange of information with the Egyptian Embassy and Consulates (Stocchiero, 2004 cited in Hong et al., 2010: 67).

Meanwhile, the Chinese diasporas in Vancouver, San Francisco, Hong Kong and Singapore have established an important external network system for China (Lorca and Hong, 2009: 26) and this is despite the fact that the current Chinese communities in these countries or cities are of second generation onwards where family ties with the China could have been non-existence. This external network has certainly boosted China's rapid economic growth in the past two decades, facilitating international trade and investments, as well as knowledge and technology transfer.

4. Can population growth foster greater trade integration?

Trade openness is undoubtedly one of the most important avenue to greater world economic integration and to reap shared benefits. The NIE's export-led industrialisation (EI) was a spectular for the world and a good example for the developing countries that aim to achieve rapid economic growth and higher development. From Krugman's (1994) thesis we also learned that population growth and demographic shift have played an important complementary role in the economic development of the NIEs. Investments in education was the essence in rising the skill level of the expanding labour force. An export-led industrialisation policy allows the NIEs to tap on external markets to allow a more efficient economy-of-scale production and exporting medium- and high-technology intensive goods. Trade openness has also allowed China to tap on overseas Chinese communities' economic network to boost its domestic economic growth. In return, these overseas Chinese communities were able to take advantage of the sheer huge population of China to expand their businesses, as well as distribution network, making their productions more efficient. Through these interchanges, China receives knowledge and technology transfer that allows it to achieve rapid economic growth in the past two decades.

Table 6. Trade trends

	Export (in USD millions)		Annualised export growth (2001 - 2010)
	2001	2000	
Southern Mediterranean	85,777	248,627	18.99
Israel	29,081	58,392	10.08
Algeria	19,148	57,718	20.14
Libya	10,931	46,050	32.13
Morocco	7,144	17,559	14.58
Tunisia	6,621	16,427	14.81
Egypt	12,853	26,438	54.06
Jordan	2,294	7,023	20.61
Lebanon	1,093	5,021	35.94
Palestine	290	-	-
Syria	5,048	14,000	17.73
Southeast Asia	259,480	680,048	16.21
Indonesia	57,365	158,200	17.58
Malaysia	88,005	198,800	12.59
Philippines	32,664	51,432	5.75
Thailand	64,919	195,376	20.10
Cambodia	1,499	5,500	26.68
Vietnam	15,027	70,740	37.08

Source: Authors' own calculations based on UNCTAStat data.

From Table 6 we learned that exports in both developing regions have increased tremendously: the value of merchandise exports of the SM countries increased from USD 85,777 million in 2001 to USD 248,627 million in 2010, while SEA countries from USD 259,480 million to USD 680,048 million. Merely from the value, we can understand that SEA countries with a larger labour force, what they produce and export will also be larger with respect to the SM countries. However, SM's export has grown faster over the past decade than SEA has. Export growth rate is particularly outstanding in Egypt, Lebanon and Libya respectively and these are the SM countries where although the proportion of working population and labour force participation rate are not particularly the highest, their unemployment rate is among the lowest (but still higher than the SEA's average). On the other hand, the slow export growth rate in the SEA can be explained by its saturated export market and the effect of the global economic crisis that started in 2008.

From Table 7 we observed that more than 50 percent of the SM countries' exports are in primary commodities, particularly in fuels which accounted for 47.01 percent of the region's total exports in 2010. Whereas in the Southeast Asia, manufactured goods still dominates the region's exports. However so, it is interesting to learn that exports in primary commodities in both developing regions are growing faster than manufactured goods in the past decade, and is this a trend in response to the increasing world demand for raw materials? Exports in primary commodities were in fact growing faster in the SEA countries than in the SM countries, particularly in precious stones and agriculture raw materials. SM countries, on the other hand, had a faster growth in manufactured goods exports than the SEA countries, particularly in chemical products.

What we observed from these trends is that export growth tends to be higher in the sector in which the country or the region is less dependent on. For instance in the case of Algeria where fuels represent more than 90 percent of its total exports only saw a 20 percent growth, and what we learned from these observations is the gradual change in the SM's strategy from exporting primary commodities to manfactured goods. However, the data show that there is only in chemical products whose share in SM's total exports has increased between 2001 and 2010, while heavy and labour intensive manufactured fall by four and three percent respectively. Increase in the share of the chemical product in exports is particularly high in Israel and Jordan where it constitutes one of their largest export sectors. Meanwhile in the rest of the SM countries, apart from Algeria and Libya, labour intensive manufactures constitute the largest manufacturing export sector.

Table 7:

	All food items			Agriculture raw materials			Ores, metals, Pearls, precious stones and non-monetary gold			Fuels			Chemical products			Machinery and transport equiment			Other Manufactured goods		
	2001	2010	Annualised growth	2001	2010	Annualised growth	2001	2010	Annualised growth	2001	2010	Annualised growth	2001	2010	Annualised growth	2001	2010	Annualised growth	2001	2010	Annualised growth
Southern Mediterranean	4,413	17,433	29.50	942	1,979	11.01	10,593	25,307	13.89	35,547	116,570	22.79	7,335	29,199	29.81	12,677	25,138	9,83	14,010	32,074	12.89
Israel	800	1,832	12.91	293	474	6.19	9.144	17,385	9.01	92	505	45.07	4,160	15,729	27.81	9,987	14,658	4.68	4,542	7,805	7.18
Algeria	28	320	102.41	11	9	-1.44	60	174	18.93	18,692	56,087	20.01	193	312	6.12	64	14	-7.81	98	135	3.71
Libya	14	124	75.61	12	11	-0.76	16	452	264.20	10,739	44,355	31.30	380	843	12.16	26	47	8.21	136	471	24.66
Morocco	1,465	3,601	14.57	94	286	20.23	603	2,132	25.35	292	687	13.54	815	3,137	28.47	945	3,120	23.01	2.889	4,714	6.32
Tunisia	521	1,607	20.83	47	105	12.23	95	321	23.99	610	2,504	31.02	676	1,817	16.88	1,057	3,662	24.64	3,600	6,406	7.79
Egypt	413	4.356	95.59	219	766	24.99	189	2,616	128.58	1.677	3,530	35.03	322	3,530	99.55	53	1,132	202.93	977	6,312	54.63
Jordan	297	1,040	24.98	12	27	12,.6	296	710	14.02	7	76	96.99	613	2,445	29.91	366	739	10.17	679	1,953	18.78
Lebanon	216	949	33.86	61	43	-2.96	139	991	61.35	3	7	12.30	106	537	40.83	119	893	65.29	430	1,583	26.80
Palestine	52	150	18.58	7	4	-4.54	8	60	65.65	2	16	73.04	26	38	4.68	19	57	20.54	176	237	3.46
Syria	606	3,456	47.03	186	254	3.65	44	466	96.25	3.433	4,783	3.93	44	812	175.96	40	815	195.03	483	2,460	40.89
Southeast Asia	26,180	92,837	25.46	6,426	29,685	36.19	6,645	36,007	44.18	28,328	100,075	25.33	10,894	40,828	27.48	114,930	234,286	10.39	61,077	146,046	13.91
Indonesia	4,999	25,630	41.27	2,019	10,327	41.14	3,530	16,664	37.21	14,250	46,765	22.82	2,834	8,163	18.81	9,104	19,624	11.55	19,547	30,606	5.66
Malaysia	5,329	23,609	34.31	1,861	5,259	18.26	1,003	4,392	33.78	8,554	31,501	26.83	3,783	12,664	23.48	53,351	87,335	6.37	13,279	33,167	14.98
Philippines	1,792	3,767	11.03	167	362	11.68	681	2,467	26.20	272	1,080	29.75	337	1,554	36.07	23,871	36,090	5.12	5,020	6,178	2.31
Thailand	10,018	24,999	14.96	2,038	10,137	39.75	1,295	10,666	72.39	1,809	9,644	43.30	3,717	16,932	35.55	27,292	82,409	20.20	16,565	40,525	14.46
Cambodia	19	143	65.54	48	163	24.03	13	181	133.63	0	0	-2.37	2	14	48.22	13	208	153.95	1,403	4,875	24.76
Vietnam	4,024	14,689	26.51	293	3,437	107.27	124	1,638	122.00	3,442	11,086	22.20	220	1,501	58.09	1,298	8,621	56.40	5,263	30,685	48.30

Source: Authors' own calculations based on UNCTADStat data.

On the contrary, heavy manufactures not only constitute to SEA's largest manufactured export sector but also the largest export sector, representing 34.42 percent of its total exports. This is owed to the large heavy industry export sectors in Malaysia, the Philippines and Thailand. Meanwhile, Cambodia and Vietnam depended heavily on labour-intensive manufactures exports, whereas Indonesia's largest export sector is still in primary commodities with fuels being the most important and only then followed by labour-intensive manufactures.

From these trade patterns, we can easily argue that SM's economy is more primary commodities based and the SEA's more technology, knowledge and also labour intensive based. This is certainly true that SEA's economy is more labour intensive based with respect to SM given the proportionally larger size of the labour force it has compared to SM. Also, is this also to say that the labour force in the SEA countries has a better skill level to support the heavy manufacturing sector than those in the SM countries?

Owing to lack of complete and comprehensive data, it had been a challenge to establish an argument on whether SEA indeed has a more skillful labour force. However, based on the limited available from the World Bank Databank, we found that on average SM doesn't only have a higher percentage of labour force with primary education than SEA, but it also has a higher percentage of them with tertiary, education which is to say SM in fact has a better educated labour force than the SEA[8]. If this holds true, then why are SM countries not producing and exporting technology and knowledge-intensive manufactures in a larger scale if they have the skill to do so?

It was later found that there had been very little integration of SM countries in the world trade, not even with their neighbours in the northern rim of the Mediterranean, the EU. Unlike the SM, not only have SEA countries been very active in world trade, they have also established a relatively integrated trade ties with the NEA countries and have developed a north-south supply chain production system network in the region fostered by foreign direct investments (FDI).

8 Figures are calculated by authors based on the latest data available.

In 2008, the SM's merchandise exports to the EU was USD 147,671 millions that accounted for about 50 percent of its total exports and Italy, France and Spain were their most important export market[9]. Italy accounted for 15.86 percent of the SM's export market, France 7.96 percent and Spain 7.27 percent and to a lesser extend Germany 4.79 percent , the Netherlands four percent and the United Kingdom (UK) 2.87 percent.

Meanwhile, Algeria was particularly reliant on the EU for its exports. The EU represented 52.01 percent (or USD 41,244 millions) of Algeria's total exports, with Italy being the most important export market accounting for 15.15 percent, followed by Spain 11.47 percent, France 8.03 percent and the Netherlands 7.71 percent. Clearly, a very important share of Algeria's exports to the EU are in fuels. On the other hand, the EU is not over-depending on Algeria for fuel supply, but rather diversifying its supplies.

Likewise, Morocco and Tunisia were very depedent on EU for their exports. Between 60 to 70 percent of Morocco and Tunisia's total exports went to the EU, and particularly to France, Spain and Italy. To a lesser extend, about 20 to 30 percent of Egypt, Syria and Israel's export went to the EU, with Italy, Germany, Belgium and France being some of their most important markets.

Comparatively, SEA countries' export to the NEA countries was USD 265,572 millions, double the amount of that of the SM countries to the EU, representing about 40 percent of the SEA countries' total exports. Undoubtedly, Japan is the SEA countries' largest export market accounting for 13.59 percent of their total exports; and China, the world's most promising economy, accounted for 9.06, while Singapore accounted for 9.17 percent.

Meanwhile, Malaysia, Thailand and Indonesia respectively are the largest SEA exporters of the NEA countries. Malaysia's export to the NEA countries was USD 90,870 millions (or 45.70 percent of its total

9 All figures on trade by partners are of authors' own calculations based on UNCTADStat database and are of 2008.

exports), with Singapore accounted for 14.73 percent, Japan 10.82 percent and China 9.53 percent. Clearly the important trade relation between Malaysia and Singapore owing to their proximity. Meanwhile, Thailand's export went to the NEA countries amounted USD 62,110 million, representing 35.31 percent of its total export with Japan and China being its most important export partners accounting for 11.30 percent and 9.09 percent respectively. To a lesser extend Indonesia and the Philippines exports to the NEA countries worth USD 66,323 millions and USD 25,155 millions respectively. NEA countries accounted for 48.40 percent of Indonesia's total exports and 51.25 percent of that of Philippines; and Vietnam and Cambodia remained the smallest SEA export partners to the NEA countries.

We observed that SM countries' exports are relatively dependent on a few products and markets, whereas that of the SEA countries are more diversified. Most of the SM's exports to the EU were either associated with essential raw materials exploitation or labour-intensive products in which the SM countries will face stiff competition. There is no trace of a complementary production system established in the trade network between the SM and the EU to support any productive production and export of higher technological and knowledge-intensive industrial goods. Furthermore, strong intra-EU trade has left little opportunity for the SM countries to play a more important role in their trade with the EU. With the enlargement of union in the past decade, the EU has also become more self-sufficient with a internal market of 500 million in population, there is little SM countries can provide for the union, apart from their fuel and other potential means of energy supplies.

The ability to produce more efficiently is vital to achieve export competitiveness. A larger population means a larger domestic market, thus allowing more efficient economy-of-scale productions and at lower costs. A larger population also means a larger pool of brains to contribute to technology advancement and improvement in production efficiency making exports more competitive, thus attracts more exports that will in turn boost job creations. The SM countries have neither a labour force as huge as that of the SEA countries nor the competitiveness in their export products, therefore failed to create jobs.

Despite prominently important SM immigrants communities and diasporas in the EU and some across the world, the number is not important enough to create an external economic network system as strong as that of the Chinese which the SM countries can take advantage of. They could only attempt to established links between the host countries and their country of origin which their trade can depend on.

5. Summing up

In this paper, we argue how population growth can foster economic growth and we attempt to apply this argument to the case of the Southern Mediterranean region. SM's smaller population size with respect to SEA is reflected on the region's smaller economic size, and its higher population growth rate did not translate into higher economic growth and this is because much of this population growth comes of its high birth rate, as reflected in SM's population structure.

SM's population is still young where more than 30 percent of the population are aged between 0 and 14. This is also to mean that the proportion of SM's working population still has the potential to expand as the population begin to mature, and the amount the current working population in the SM are producing still has room for expansion, therefore the economy of the SM countries are not growing as fast as the SEA countries.

On top of that, labour participation rate in the SM countries is relatively low compared to the SEA countries, and have higher unemployment rate. This shows that an important share of the working population are not economically active and that if they had been part of the labour force they could have contributed to further economic growth; and those who are unemployed could have contributed as much if they had had a job. But the economically inactive population and unemployed constitute to a loss of opportunity to contribute to economic growth and development. Unemployment needs to be curbed before it becomes more serious when the young dependent population enter the workforce and find themselves unable to find jobs.

In particular, unemployment leads to huge out-flowing of migrants in the SM who could have otherwise contribute to economic growth if they had had a job from where they come from. Outgoing migrants will lead to further contraction in labour force, hence limiting economic growth. The risk of emigration from the point of view of the country of origin is brain drain. High educated individuals tend to have higher capability to migrate, thus emigration rate among them is higher. Sadly, in most cases high

educated migrants from the SM countries take up jobs they are overqualified for. As migration law in host countries get stricter, illegal migration incidents also rises subjecting illegal immigrants to work illegally and under horrendous conditions on top of poor compensation.

Guest workers programmes will facilitate temporary legal migration and the return of migrants. The return of migrants is particularly important for the country of origin as these migrants act as agents of knowledge transfer. Many of these returning migrants from the SM countries set up businesses in their country of origin, but they are often of small-scale, family-run businesses that do not effectively support job creation and have limited effects on economic growth.

While non-returning migrants continue to send remittances home. Although remittance increases the purchasing power and propensity of the recipients to save and to invest, an important share of the remittances received in the SM countries were spent on daily household needs and left little for savings or investment, still it contributes to economic growth in the short-run by rising the demand for consumer goods.

Hometown Associations (HTAs) have also helped to gather SM immigrants from the same country or town to support and facilitate development programmes in their country of origin. Overseas Chinese diasporas' across the world can be an example for the SM immigrants in creating a external economic network system on which their country of origin can tap to expand trade and to attract investments so to leap forward economic growth.

To expand trade, the SM countries first have to be open to it. SM's change in strategy to adopt a more export-oriented of industrialisation is reflected on its high export growth in the past decade, however their exports are still primarily in primary commodities such as fuels that has mainly boosted economic growth in the Southern Mediterranean region and labour-intensive manufactures. These export sectors are mainly sectors where there is little technology or knowledge transfer. Despite its highly educated work force, little development is made in high-technology and knowledge-intensive sector. SM's manufactured exports also

met intensive competition. The inability of producing more efficiently because of the lack of economy-of-scale and the technology and knowledge to produce more efficiently make SM's exports uncompetitive. A larger population in the SM countries will not only promote domestic market, complementing external markets taking advantage of economy-of-scale productions but also create a larger pool of brains contributing to technology and knowledge to produce more efficiently, making SM's exports more competitive and that will in turn attract more trade, hence boosts more job creation.

Nevertheless, the issue that the SM governments have to address now is how to make economic growth sustainable by taking advantage of their demographic "gifts". SM governments should take appropriate policies to reform their economies, invest in education on their young population, to encourage higher labour participation, to create jobs by expanding the private sector, to curb unemployment rate, to encourage the return of migrants, to improve and develop better institutional management and to embrace economic openness. In this way, population growth can be a complementary development tool for the SM countries in fostering a sustainable economic growth.

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